GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1870
ANSWERED ON:03.08.2000
PRIVATE SECTOR POWER PROJECTS
CHANDRA BHUSHAN SINGH

Will the Minister of POWER be pleased to state:

(a) whether the Government had set a dead line of June 30, 2000 for the 57 Private Sector Power Projects to tieup their financing proposal;

(b) if so, the details of the Private Sector Power Projects which were able to meet the said dead line; and

(c) the action taken against those Privated Sector Power Projects which are not meeting the stipulated dead line?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a): The Techno-Economic Clearance (TEC) accorded by Central Electricity Authority (CEA) to private sector power projects stipulates, inter-alia, that the Firm Financial Package (FFP) should be submitted to CEA within a prescribed time schedule. The prescribed date for submission of FFP has been extended from time to time in some cases after considering the relevant factors and State Government recommendations, etc. The following projects out of a total of 57 private power projects accorded TEC by CEA have been given extension upto 30.6.2000 for submitting the FFP:-

S.No.	NAME OF THE PROJECT	CAP (MW)	STATE
1.	Vishnuprayag HEP (M/s JPIL)	400	U.P.
2.	Rosa TPP (M/s. Indo-Gulf Fertilizers)	567	-do-
3.	Ratlam DGPP (M/s GVK Power (Ratlam) Ltd.)	118.63	M.P.
4.	Visakhapatnam TPP (M/s.HNPCL)	1040	A.P.
5.	Nagarjuna TPP (M/s Nagarjuna Power Corporation Ltd.)	1015	Karnataka
6.	Vypeen CCGT (M/s Siasin Energy Pvt. Ltd.)	679.2	Kerala
7	Balagarh TPS (M/s.Balagarh Power Com.)	500	W.Bengal
8.	Bakreshwar TPP (Bakreshwar Power Gen. Co. Ltd.)	420	-do-
9.	Jamnagar TPP (M/s. Reliance Power Ltd.)	500	Gujarat

(b) & (c): None of the above mentioned projects have been able to submit the firm financial package to CEA by the extended dead line of June 30, 2000. Since poor financial health of the State Electricity Boards and the insistence by lenders on strong payment security packages have been the main problems in the private power projects achieving financial closure, the Government has initiated several measures to address these issues. These include close monitoring at various levels to expedite clearances, removal of bottlenecks and the `last mile` problems in achieving financial closure; exploring alternative security mechanisms for financing power projects in private sector; providing for automatic approval for foreign equity in selected categories and liberalisation of the

Foreign Direct Investment regime by removal of the upper limit for foreign direct investment in respect of projects relating to electric generation, transmission and distribution (other than atomic reactor power plants). If the delays are on account of the developers, steps are taken to cancel the fuel linkages and other clearances given to them.